G. R. S. IX-5]

Previous references.

File No. 6-19

1919.

Serial Nos. 51, 53, 52

(Pp)

Later references.

58, 71, 99

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Lij

Part B for oct-1919.

SUBJECT.

(C 99) From, The Food Controller
to 6046 S/27-9-19

Submits a report regarding the petition by certain merchants of Chamarajpet regarding the irregularities in the sale of imported rice by Messrs Appanna Ramachendra Rao & Co

W D 1250—GPB—30,000 - 28-1-19

G. R. S. III—1]. 1919.

GENERAL AND REVENUE SECRETARIAT.

(P.P.)

NOTES.

File No. 6-19

FILE HEADING.

From

No.	Dated	Received
Diary No.	Enclos. Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

To. No 49

WD 243—GPB—2,000—2-8-16

REPLY

(*To be written on this margin.*)

Office of the Dewan of Mysore.

NOTE.

Dated....27th August.....*1919*.

The accompanying petition, signed by several merchants, complaining against the conduct of Messrs. Appanna Ramachandra Rao, may be forwarded to the Food Controller for report.

2 I am afraid the privilege of selling by retail the rice the contractors import through our assistance has led to some abuse. The Food Controller has himself reported instances where the contractors have imported rice inferior to sample, necessitating his fixing lower prices. It is probable that other instances of this sort may have occurred without his knowledge. A wholesale importer, who is also allowed to sell retail, has opportunities to import lower grades of rice and charge prices fixed for superior samples. The importers should not therefore be allowed to sell by retail in future. Orders to this effect may issue early.

27th Aug. 1919

The Chief Secretary to Govt.

FJ.

Draft

1) Please send petn to FC for early report

2) draft order re 'A'.

27/8/19

R. S. III-2]

2

General and Revenue Secretariat. | C P File No. 6 of 1919

Serial No.

5 Draft ~~sub~~ forwarding the petn for early repat submd. After hg issue the draft ord mentioned sub

27/8/19 Issue

27-8-19

Issued

6 A draft ord as directed in para (2) of the Chief Secy's note in the preceding para is submd hg

27/8/19

Chiefsecy

27-8-19.

30-8-19

7 Issue

28/8

1-9-19

To the Food Controller & President Bangalore cfg Mr Connell

no G.S-208-9 dg 1.9.19

Directing that importers of delta rice should not be allowed to sell the same in retail & that the sale of delta rice should also be restricted to wholesale as in the case of Rice

General and Revenue Secretariat.

P. P File No. 6. of 1919.

Serial No. 53

From the Food Controller
No 4607. G 2-9-19
With reference to S.R. 51 solicits instructions as to whether the direction contained therein applies to future imports or also to imports already made or contracted for & as to whether Nellore rice imported under contract has to be dealt with similarly.

Submitted for orders.
Hy
3/9/19

9. The restriction may apply ~~to~~ to all future tenders.

10 ~~Tend~~ The conditions attached to tenders already accepted may not be susceptible of amendment now.

11 Nellore rice may come within the scope of this prohibitory order.

Chiefly
Boo
3-9-19

Dewan
Hy
5-9-19

B Please Reply as suggested

CBX
Boo
6-9-19

CBX
Hy 9/9/19

DEWAN'S OFFICE.
Recd. on SEP 4 1919
Reg. No. 1576

R. S. III-2]

General and Revenue Secretariat.

4426

P. P File No. 6. of 1919.

Serial No. 58

Draft sent by hy 6/9/19

Approved 6-9-19

To

The Food Controller en clyne

No. G. 5941 G 6-9-19

States that the restriction applies only to all contracts subsequent to the date of the order (1st Sept 1919 and that the wishes expressed under contract should also be dealt with accordingly

Permission to [illegible] q dels to
[illegible] to sell Nellore rice wholesale
to merchants --

G. R. S. III-2]

General and Revenue Secretariat. | P. P File No. 6 of 1919.-20.

Serial No. 54

From the Food Controller
No 4645 q 23.9.19
Submits a copy q letter D, the 1st Sept 19 from Diwan Appanna Ramachandrarao Co-importer q Delta & Nellore rice, seeking permission to sell Nellore rice wholesale to merchants & Schedules thereon -

flag D

17 The file contg the G.O. stating that importers should not be allowed to sell in retail has been sued separately.

flag K.

Leg Lrd for orders vide 4/9/19 Necessary rates (Condition of tender

The first Sentence of Clause 7 of the notice calling for tenders allows sale (Whether Wholesale or Retail) to persons indicated by the Food controller.

There is therefore no objection to the importers being allowed to sell wholesale to selected retail merchants.

B

20 No objection raised by the D.C. holds goods only if the sale is to a wholesale merchant i.e.

NOTE—Contn. sheet.

G. R. S. III-2j

General and Revenue Secretariat. | P-P File No. 6 of 1919.

Serial No.

to a merchant who also sells wholesale

Boo
4-9-19.

Chief Secy

Dewan

CBX
5/9/19

1) I understand that in the retail shops kept by the importers the rice is sold at a price calculated to give a profit of 8a or 8o per bag (taking into account cost of journey).

2) The less the number of middlemen the cheaper will the consumer get the grain.

3) If the sales are regulated so that the retailer takes only a profit of 8a per bag as at present over the wholesale import price there will be no inconvenience in the arrangement.

DEWAN'S OFFICE.
Recd. on SEP 6 1919
Reg. No. 1644

Dewan

CBX
5/9/19

My Chief
Boo
6-9-19

seen
8-9-19

Please instruct Fr. Mgr

CBX
10-9-19

Took Chief's instructions on 12-9-19

'26 Engr. including Provisional Mandal

Boo
12-9-19

NOTE—Contn. sheet.

Fr. 1/5 the order noted on

Boo
12-9-19

G. R. S. III-2]

General and Revenue Secretariat. | O. P. File No. 6 of 1919

Serial No.

Draft submd
by
29/9/19

To The Food Controller
No G 6431 dt 12-9-19.
With reference to 54 stating that the impartial may be allowed to sell wholesale to retail merchants who are selected by you & who bind themselves to sell the grain at a profit, to be fixed by you -

From the Food Controller
no 6046 dt 27.9.19.
Submits a report regarding the petn of certain merchants of Chidambaram regarding the ingredients in the sale of imported rice by Messrs Appanna Ramachandra Rao & Co -
29. Submd with reference to para 1 of the notes
by
30/9/19 Chetty

Bom
Bombay

NOTE—Contn. sheet.

8

G. R. S. III-2j

General and Revenue Secretariat. | P. P File No. 6 of 1919.

Serial No.

30 The Food Controller's report is very lucid & gives an adequate explanation of the situation.

31 In dealing with the whole situation ~~from~~ for the past one year nearly, the local merchants — with very few exceptions — have done absolutely nothing to help Govt or the public in general, & Govt have had a great uphill task to contend against their apathy & worse still their mischief.

32 If the merchants who indulge in pinpricks like the present petition had had any ~~legitimate~~ powers of legitimate enterprise & organisation there is no reason why Govt should have had to depend on outside merchants for taking up a large portion of the business of importing rice from certain parts of India.

33 It cannot certainly be said that Messrs Appanna Ramachandra Rao is a saint

NOTE—Contn. sheet.

9

or that he is not up to pranks on the borderland of Commercial Morality. But it must be said any other merchant would have been quite as bad & perhaps much worse.

34 Mr Appanna Ramachandra has been all along reasonably amenable to Control considering all circumstances & has not always stood on his rights.

35 I fear Messrs Srikantiah & Mangapuram & Co. would not have been found to be equally conciliatory.

36 In large & new ~~ones~~ arrangements of this kind, like Food Control, there are likely to be slight irregularities which cannot always be provided against, but as the D.C's report shows the deficiencies have been corrected from time to time as often as possible & there is certainly no reason to think that there has been anything seriously wrong.

6690
W68
W26
6

10

G. R. S. 12]

General and Revenue Secretariat. | O.P File No. 6 of 1919.

Serial No.

37 The petitioners are all disappointed trade rivals & prima facie their statements ought to be accepted with great caution

38 In order to remove public misapprehension caused by one-sided & distorted versions in the public press, a press Communique may perhaps be issued - If approved one will be prepared in consultation with the D.C.

Dewan

C.S.M. 4/10/19

The papers may be filed. There is no reason to issue a communique now, as the system of purchase has been changed recently and the quantity of Delta rice imported month by month is being reduced.

W.M.S. 12.10.19

C.S.M. 18/10/19

(Ramakrishna article)

DEWAN'S OFFICE. Read. on OCT 5 1919 Reg. No. 2352

CHIEF SECRETARIAT II POLITICAL BRANCH. 23 OCT. 1919

D Register no 39 21.8.19

Bangalore,

Dated 19th August 1919.

Sirdar M. Kanthraj Urs Esquire, C.I.E.,

Dewan of Mysore.

Most Honored Sir,

We respectfully beg to state that Messrs. Appanna Ramachandra Rao, Siddabasappa and Veeranna, as partners, under the names of Appanna Ramachandra Rao and Co., carried on dealings in Delta, Nellore and Burma Rice.

2. Contrary to Rules, they have sold hundreds of bags Delta rice to the following persons:--

H. Putta Rudriah, N. Rudriah, S. Appajappa, S. Muddappa (brother-in-law of the said Sidda Basappa, a partner of Appanna Ramachandra Rao), Sidlingappa, S. Rudrappa, S. Magavalappa, Marisamappa and Chik Nunjappa - all merchants in old Taragupet, Bangalore. These persons have, in their turn, sold hundreds of bags Delta Rice to several persons, of whom, we mention the following a few persons:--

1. Bellam Krishniah, Merchant, Old Market, Cantonmen Bangalore.

2. Nellavangalum Veerana, Merchant, Hoskota

3. Nunjundappa brother of Thuppada Manyappa, Merchan Nundagudi, Hoskota Taluk.

4. Veerabadrappa, Merchant, Thimmasundra, Hoskota Taluk.

5. C.L. Ramalinganna Merchant, C.& M. Station Bangalore

6. Vamana Abdul Kuduse —— Ditto ——

7. Channabasappa, brother of Tuppada Veeranna, Merchant, old Taragpet, Bangalore

8. Chik Linganna, Merchant, C. & M Station, Bangal,

9. Dodda Linganna —— Ditto ——

10. Annaya Setty. —— Ditto ——

12

The practice of selling hundreds of bags of rice, has been continuing, without being checked by the authorities, for a very long time i.e. upwards of six months. Ever since Appanna Ramachandra Rao took up the contract, he has been selling rice at high rates.

3. S. Appajappa , (brother of the said partner Siddabasappa) and Mandi Ramiah, merchants in Old Tharagupet Bangalore, gave polished Delta Rice in the Mill, in Old Tharagupet, Bangalore, passed it for "Chintamani Rice" and sold it at Rs.26½ or 27 per palla. This fact was reported to the Food Controller is clear from para 7 herein. Further, is it possible to have "Chintamani Rice" here, when the rice itself was not available there? (viz in Chintamani).

4. Delhi Boga Rice was imported (without a priority certificate)along with Delta rice by Appanna Ramachandra Rao, who has sold to the public at a high price viz. Rs.31 or 31½ a palla. Priority certificates are generally issued with reference to Delta, Nellore or Burma Rice. While so, how did Delhi Boga rice find a place in Bangalore? There is no harm if it is imported to Bangalore. What is the rate fixed for sale of such a rice, and at what rate was it sold to the public, are the points now to be considered. The authorities have taken no steps whatsoever to prevent a procedure of this kind.

5. Appanna Ramachandra Rao sold worst rice, during these six months, charging Rs.20 a palla and made his fortune, uncheked.

6. Appanna Ramachandra Rao did not secure contract in August/19. It is really surprising to find that the Food Controller has, for the first time, introduced double locks system (one by the owner of godowns and the other by Food Controller's Office) In so doing, he got some godowns of Appanna Ramachandra Rao, along with others, locked.

Some other godowns of the said Appanna Ramachandra Rao have not been locked; whereby, he has been, indirectly, allowed an opportunity of speedily disposing all damaged rice, before permitting the other tenderers to import their rice.

7. (a) Chief Officer of Bangalore Municipality detected and reported to the Food Controller some cases, where Delta rice was undergoing the process of polishing, in the Mills, in Old Tharagupet, Bangalore. The polish was given to Delta rice, with the object of selling it at high rates. Further, he seems to have reported on certain other matters, in addition. The whole of the correspondence passed between the Chief Officer and the Food Controller may kindly be sent for and perused.

(b) A few of the Food Inspectors reported to the Food Controller, in vain, regarding the removal of rice beyond the Municipal limits i.e. to Cantonment and Taluks and also regarding the sale of damaged rice etc.

(c) Some people also complained orally. No heed was given to it.

(d) The opinion of the Director of the Civil Supplies, Bezwada, regarding the quality of rice purchased by Appanna Ramachandra Rao, ever since he took up the contract, may be sent for and perused, if such reference has not already been forthcoming in the Food Controller's Office. The said Appanna Ramachandra Rao has charged first class rate and supplied inferior stuff.

8. We leave the whole case entirely in Your Honor's hand, and beg of you to draw any inference you may be pleased to consider reasonable, under the circumstances set forth above. We do urge all these in the interest of public good and not with any selfish motive.

9. We therefore pray for:--

1. A surprise visit by Your Honor - we are prepared

to show bad rice and also the different places wherein he has stocked rice.

2. "The Tippani" accounts, Rough books (Katcha), Day-books and Ledgers of the persons referred to in paras 1 and 2 herein and also Mill accounts of the said S. Appajappa and Mandy Ramiah referred to in para 3 herein, may immediately be sent for, and ordered to be kept under seal and lock, without giving clue to any body. Impartial officers like ~~Mr~~ Mr. Tyagaraj Iyer, or Messrs. Ramanoojiengar or Rungasami Iyengar or any other officer (other than Mr. Matthan) in whom Your Honor has full confidence may be deputed to audit the accounts.

3. An account of the number of rice bags received, under priority certificates, the number of bags disposed of during these 6 months and the number of bags remaining with the said Appanna Ramachandra Rao may be taken into account. The rates at which he has sold them to the Public may also be gone into.

4. An early measure, in a day or two, may kindly be taken, to enable us to prove our statements in full; or else he may hush up all the accounts etc.

We beg to remain,

Honored Sir,

Your most obedient and humble servants,

Bangalore,
19th Aug.1919.

G.R.S. 29.]

16

GENERAL AND REVENUE SECRETARIAT.

( )

DRAFT ENDORSEMENT ON { File No. / Serial No.

No. 4905 Emts

Dated——, *the* 27/8/1909.

Issued on the——

~~Copy~~ forwarded to the Food Controller in regard to a representation

By Order, etc.,

for Chief Secy

List of papers forwarded.

Petn dt 19.8.19 from certain merchants of Chittoor - Requesting enquiry into irregularities in the sale of imported Dates by Messrs Appanna Ramachandra Rao & Co.

MGGPB—21-5-04—5,000.

Rp. 6-17
K 54

17

Proceedings of the Government of H. H.

the Maharaja of Mysore.

Read:--

Government Order No. G. 28865-8/P.P. 134-18-640, dated the 28th June 1919, sanctioning a scheme for the sale of imported rice in retail to the public in Bangalore City and other places.

Order No. G 5208-9 07/29

Instances having come to the notice of Government in which the privilege allowed to importers of delta rice, of selling it in retail has been abused by the tenderers importing lower grades of rice and retailing them at prices fixed for superior samples, Government direct that the importers should not be allowed to sell ~~te~~ to retail in future and that the sale of del rice should also be entrusted to retail dealers as in the case of Burma rice.

2. The Food Controller is requested to take needful further action in the matter, adopting ~~this~~ after some time necessary safeguard against the mixing up of the two kinds rice by the retailers.

CBS 3/8

Chief Secy. to Govt..

To

The Food Controller.
The President, Bangalore City Municip Council.

Hoo 30-8-29

IN REPLY REFER TO
No. 2460
ENCL. 2

Tel: Address.
"Civisup"

Office of the
Director of Civil Supplies in Mysore.

IMMEDIATE

Bangalore, Dated 2nd September 19 19.

DIARY NO. 4426

From

K. MATTHAN, Esq., B. A.,
Director of Civil Supplies in Mysore.

To

C. S. Balasundaram Iyer, Esq., B.A.,
Chief Secretary to the Government of Mysore.

Sir,

With reference to Government Proceedings No. G.5208-9/P.P.6-19-51 dated 1st September 1919, directing that importers of Madras delta rice should not in future be allowed to sell the rice in retail, I beg to be favoured with instructions as to whether this applies to future imports, or also to imports already made or contracted for. In the case of the latter the tenders were given and the rates accepted on the understanding that retail sales would be allowed. If retail sales are now prohibited, there is the possibility of the importers claiming compensation. A copy of the tender notic for August, also a ~~sketch~~ skeleton form of agreement in use in accordance with the existing practice are enclosed for the perusal of Government.

2. I have in the meantime requested the President of the Bangalore City Municipality to prepare a scheme of distribution through retail merchants and also for providing safeguards against mixing up of two kinds of rice.

3. I also request to be informed whether Nellore rice imported under control has to be dealt with similarly.

I have the honour to be,
Sir,
Your most obedient servant,

Food Controller & Director
of Civil Supplies in Mysore.

KM/MPH.

OFFICE OF THE FOOD CONTROLLER AND DIRECTOR OF CIVIL SUPPLIES IN MYSORE.

Bangalore, dated the 24th July 1919.

Sealed tenders are invited for the import and sale of Madras rice (raw and boiled) from the Northern Delta Districts of the Madras Presidency, and Nellore rice from the Nellore District during the month of August 1919. The quantity to be imported will be 700 tons from the Delta Districts and 300 tons from the Nellore District.

2. Option is given to tenderers to tender either for the whole of the 700 tons from the Delta Districts or for the whole of the 300 tons from Nellore or for both. One hundred and fifty tons of boiled rice from the Delta Districts are reserved for the Kolar Gold Field to be delivered at Ooregum and this lot should be tendered for separately.

3. The rice in the Delta Districts will be purchased subject to the conditions imposed by the Deputy Director of Civil Supplies, Bezwada.

4. Priority certificates will be issued by the Food Controller for the transport of rice into the State by rail.

5. The accepted tenderer should give a security deposit or Bank guarantee at the rate of Rs. 10 per ton of rice.

6. The sale of the imported rice in the Mysore State will be controlled by Government; the wholesale and retail prices will be so fixed as not to yield a profit of more than 8 annas per bag of 164 lbs. (nett).

7. The Food Controller's directions as to the places where the imported rice shall be sold and the persons to whom it may be sold wholesale or retail should be complied with. Out of the 1,000 tons of Delta and Nellore rice, 400 tons will be allotted for the Bangalore City and two-thirds of this quantity may be sold in retail by the importers themselves.

8. The tenderer shall store the imported rice at his risk in godowns to be provided by him.

9. In the case of the boiled rice intended for the Kolar Gold Fields, the tenders should quote the lowest price per bag of 164 lbs. nett (166 lbs. gross) for delivery "f.o.r." Ooregum. For the rest the rate quoted should be for bags of similar capacity for delivery in godowns, Bangalore City, but the Food Controller may require the rice being consigned to other places and in such case the difference in freight and cart-hire will be added to or deducted from the accepted rates as the case may be.

10. The quality should be quoted and guaranteed.

11. Tenders will be accepted up to 12 noon on Saturday the 2nd August 1919.

12. Each tender should be accompanied with a deposit of Rs. 500.

13. The acceptance or rejection of tenders will be intimated on the 4th August 1919. The Food Controller does not bind himself to accept the lowest or any tender. The Food Controller reserves to himself the right to break up the tendered quantity in lots of not less than 50 tons each. Before accepting a tender the Food Controller may call upon the tenderer to satisfy him that he is in a position to secure the stock.

14. The successful tenderer must furnish the deposit or Bank guarantee referred to in condition (5) *supra* and execute necessary agreements by the 5th August 1919, failing which, the cash deposit of Rs. 200 accompanying the tender will be forfeited and the acceptance of the tender will be cancelled.

K. MATTHAN,
Food Controller and Director of Civil Supplies in Mysore.

Memorandum of agreement executed this ..... day of .....one thousand nine hundred and nineteen between Mr. K. Matthan, Food.Controller and Director of Civil Supplies in Mysore, hereinafter called the "Food Controller" of the one part and Mr. .....hereinafter called the "Supplier" of the other part.

Whereas the Food Controller has called upon the Supplier to import and supply ...tons of Madras Delta rice during the month of .....1919 and the Suppliers have agreed to do so.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:--

1. The Food Controller will obtain priority certificates from the Director of Civil Supplies, Madras, for the transport of rice into Mysore State by rail.

2. The Tenderer should purchase Madras Delta district rice at the controlled prices fixed by the Deputy Director of Civil Supplies, Bezwada, and the Tenderer incurs no responsibility in respect of the import of the said quantity of ....tons.of.rice from the delta districts if the said quantity not available or made available at or below the controlled prices.

3. That the rice imported should be stored by the Tenderer at his risk in godowns to be provided for by him.

4. The stock shall be open to the inspection of the Food Controller or his nominees from time to time.

5. The Tenderer should import ..... tons of delta district raw rice consisting of .....tons of 1st class quality and .....tons of 2nd class quality during..... and supply and sell the same raw rice 1st class at Rs. ..... per bag of 164 lbs. nett. and raw rice 2nd class at Rs..... per bag of 164 lbs. nett, if from Bezwada, Ry. freight being added or subtracted as the case may be if from other Stations.

Samples of the rice pro[illegible]o be imported should be

be deposited in the office of the Food Controller, and if the quality actually supplied at any time is not up to the sample tendered and approved, the Food Controller shall be at liberty to reject in whole or in part such portion of the supply as does not come up to the sample, or reduce the rates or pass such orders thereon as he may deem fit.

7. That in respect of rice sold in retail by the Tenderer in Bangalore City he will be allowed in addition to the above prices an extra allowance of eight annas per bag or deducting annas six for the value of the empty gunny only two annas extra per bag: and the Tenderer shall be at liberty to dispose of the rice taken by him to his godown at Bangalore City within the month of.....1919.

8. The Tenderer agrees to comply with the directions the Food Controller as to the places where the imported ric shall be sold and the persons to whom it may be sold either wholesale or retail.

9. The Tenderer having deposited with the Bank of Myso a sum of Rupees .....has lodged the sa Bank guarantee letter with the Food Controller as security the due fulfilment of this contract: breach of any of the conditions of this agreement will entail the forfeiture of whole or part of the deposit at the discretion of the Food Controller and after due performance of the contract the sa guarantee letter will be returned to the Tenderer to enable him to get back the amount from the Mysore Bank

Signed, sealed and delivered this .... day 1919.

Tenderer. Food Controller.

Witnesses:--

For Food Controller

2/9

IN REPLY REFER TO
NO 4645
ENCL. 1

Tel: Address.
"Civisup"

CHIEF SECRETARIAT
POLITICAL BRANCH.
3. SEP. 1919

Office of the
Director of Civil Supplies in Mysore.

Bangalore, Dated 2nd September 1919

DIARY NO. 4468

From

K. MATTHAN, Esq., B. A.,

Director of Civil Supplies in Mysore.

To

C. S. Balasundaram Iyer, Esq., B.A.,

Chief Secretary to the Govt. of Mysore.

Sir,

I have the honour to submit herewith a copy of letter dated the 1st instant received from Messrs. Appana Ramachandra Rao & Co., importers of delta and Nellore rice, in which they seek for permission to sell Nellore rice wholesale to merchants. I am myself not in favour of allowing any transactions to come in between importers and retail dealers as this must increase the cost to the consumer and as it is difficult to enforce control as to prices when the distribution is made through a number of merchants instead of through one channel. As however, Government have directed that delta rice should be sold by importers ~~to~~ wholesale to merchants who should mutr- take the retailing business, I request the orders of Government on the present application of the importers.

I have the honour to be,

Sir,

Your most obedient servant,

K. Matthan

Food Controller & Director
of Civil Supplies in Mysore.

Copy of letter dated 1-9-1919 from Messrs. Appanna Ramachendra Rao & Co., Merchants, Old Taragupet, Bangalore City, to the Food Controller in Mysore, Bangabre.

We beg to bring to your kind notice that, besides delta rice, we have got in stock in great quantities the costlier varieties of rice Nellore and Calcutta. Of the two costlier varieties, the controller Nellore rice does not find a ready sale in retail as co be seen by the result of exposing 120 bags taken on 28th and 30th ult: for retail sale in public. We could hardly sell one half of the quantity in five days in all our four depots in different part of Bangalore.

We feel therefore that it is inadvisable to keep in stock a costlier stuff that cannot be sold readily in retail, in as much a stocking of a thing on which heavy investment is made eats through us by way of heavy interest.

We therefore solicit the favor of your orders to sell the costlier Nellore rice wholesale to merchants or request to kindly take the whole quantity of Nellore rice with us, of course paying us the cost of the same.

Food Controller & Director
of Civil Supplies in Mysore.

G. R. S. VI—G/32]

SUBJECT.....

Diary No. of letter replied to.....

Section
File No.
Serial No.

GENERAL AND REVENUE SECRETARIAT

( )

, *the* *191* .

No. G 5941/—

Date of issue 6/9/18

Signed by for A.V.R

To The Food Controller
in Mysore

Sir,

With reference
to your Ltr no 4607
2nd Sept 1919, I am di
rected to state the
the restriction to sale
retail by importers
delta rice - ordered
G.O. No G 5208-9/P.P

6-19-51 of 1st Sept 1919

applies only to sale, ~~future~~ Contracts subsequent to ~~date of~~ the date of the order (18th Sept 1919).

2. Please see min.

Sales under control should also be dealt with similarly.

Please see

Bom 6-9-19
Telegraphed

G 5942 d/6.9.18

Copy both, compliments to the President, Bangalore

~~Mysore~~

List of enclosures.

cc: Mr Council.

BO

Bom 6-9-19
Telegraphed

Copied by

Examined by

WD 1744—GPB—30,000—19-3-19

96

G. R. S. VI—G/32]

SUBJECT.....

Diary No. of letter replied to... .....

Section
File No.
Serial No.

GENERAL AND REVENUE SECRETARIAT

( )

the *191*

No. 5643/

Date of issue..... 12/9

Signed by.. .. ..

To The Food Controller,
Ootacamund.

Sir,

With reference to your letter no. 4645 of the 2nd Sept 1919 regarding the application of Messrs Apparao Ramachandrarao & Co for permission to sell Nellore rice wholesale to merchants, I am

over.

am directed to state that

I am agreeable with you that

~~I~~ the no. of middlemen should be kept at a minimum

~~the cheapest rate~~ in order to avoid increase ~~of~~ to consumers.

2. I am to

~~Get the prices~~ :

The mill-

-owners may be allowed to sell

wholesale to ~~the~~ ~~of the~~ retail

merchants selected by you and who

-have themselves to sell the

~~not exceed~~ the taking ~~only~~ a profit

~~rate~~ to be fixed

grain of only 8 annas per bag or so over the wholesale

by you ~~import~~ price (inclusive of freight etc).

Thanks

List of enclosures.

Yrs
12-9-18
Private Secy

Copied by

Examined by

IN REPLY REFER TO
NO. 6046
ENCL. One

Tel. Address.
"Civisup"
9321

Office of the Food Controller and
Director of Civil Supplies in Mysore,
Bangalore, Dated 27th Sept. 1919.

FILE
SERIAL

From

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CHIEF SECRETARIAT
POLITICAL BRANCH
30 SEP 1919

To

C. S. Balasundaram Iyer, Esq., B.A.,
Chief Secretary to the Govt. of Mysore,
B a n g a l o r e.

Sir,

With reference to your official memorandum No. G.4905 of the 27th August 1919, forwarding for an early report a petition dated the 19th idem addressed to the Dewan by certain merchants of Chamarajpet, Bangalore City, regarding irregularities in the sale of imported delta rice by Messrs. Appana Ramachandra Rao and Co., I have the honour to state that for the correct understanding of the various points raised in the petition it appears necessary to briefly recount the various stages through which control measures have passed.

2. In the early stages imports of rice were arranged for by the issue of priority certificates in favour of persons who "agreed to sell under control". This meant that they were to sell for reasonable prices fixed with reference to the cost of import. Priority certificates were issued in favour generally of persons recommended by local

local authorities. In case of any violation of the express or implied conditions, the only remedy was to refuse priority certificates for the future.

3. This being found unsatisfactory in practice, I introduced early in March last with the approval of Government a system of registration of merchants, who wished to import controlled foodstuffs from outside the State. The rules provided for the Food Controller fixing the sale prices giving only a specified margin of profit and for taking deposits as security for the due fulfilment of the obligations. They also provided for the Food Controller taking over stocks in case of violation of the conditions. Under the system of registration, priority certificates were issued to registered merchants for the import and sale of small lots of rice.

4. When this system had been in force for some time it was found that several licensed importers going to the same area forced up prices by competitive purchases. The Madras authorities requested us to appoint a single buying agent for delta rice. Moreover the same importer would bring several qualities of the same kind of rice bought or purporting to have been bought at different prices. He would, therefore, have in the same shop Nellore rice or Delta rice or other classes of rice at several prices. Control was very difficult as neither the public nor the Food Inspectors could easily make out which was the higher priced rice and which the lower priced one.

5. It was at this stage that the Government directed that wholesale importers selected by tenders should be appointed. The system of selecting importers by tenders has been in force till August; even then the details of the system had to undergo various modifications. In directing that tenders should be called for, one of the conditions laid down by Government was that the importers should sell the rice at a profit of not more than eight annas per bag for wholesale transactions and a further eight annas for retail transactions. Accordingly the importers were at liberty to sell the rice both wholesale and retail. In framing the agreements I specially made a stipulation that the directions, if any, of the Food Controller as to the persons to whom the rice should be supplied should be complied with. Orders to deliver specified quantities to individuals - generally those recommended by the local authorities - used to be issued to importers and those would be complied with. But barring such, the importers were at liberty to sell wholesale or retail to any persons they wished to. There was then a complaint that the importers gave rice at wholesale rates only to a favoured few in Old Taragupet and not generally. It was also found that while the transactions of wholesale importers appeared to be at the contract rates, the merchants to whom they sold the rice could easily sell it again at much higher rates. Thereupon arrangements were made first of all to issue rice in limited quantities to a large number of merchants both of Old Taragupet and New Taragupet and secondly to take deposits from the several retail merchants to whom the rice was sold wholesale as a

a guarantee that they would not in their turn sell the rice wholesale at higher prices but would sell it only in retail with a profit of not more than eight annas. Even this measure was found to be inadequate as effective control over the large number of retail merchants who got the delta rice was found to be impossible. Numerous complaints reached me that these retail merchants were selling the rice in bags to others or selling it in retail at higher than the prescribed rates calling the rice by other names or mixing it with superior sorts and selling it at high prices. All these difficulties were discussed at great length at a meeting of merchants and others in the Bangalore City on the 19th June last presided over by the Honorary President at which I was present. It was as a result of the discussions at that meeting that it was resolved (i) to sell Burma rice in the city through a number of retail dealers selected by Municipal authorities; and (ii) to sell delta and Nellore rice only through the importers themselves or through co-operative societies. The object of this latter resolution was threefold:- (1) that effective control of prices could be better ensured in respect of sales by the importers themselves than when sales were effected through a number of dealers; (2) to obviate as far as possible the possibility of mixing inferior kinds of rice with superior ones; (3) in order to reduce the cost to the consumer as far as possible, since the importers would be content to forego the greater part of their wholesale profit in the hope of their being able to sell the rice themselves in retail and securing the retail profit. These measures were approved by Government as well as by the Central

pecuniary loss. Messrs. Appana Ramachandra Rao & Co. relying on the local influence they possessed in the delta districts offered rates which our merchants could not compete with and their tender was accepted for March and April. In May also their rates were the most favourable, but it was considered desirable as a check on this foreign firm to give part of the business to a local firm. Accordingly 400 tons of delta rice were given to Appana Ramachandra Rao & Co. at Rs 12-14-0 and Rs 13-4-0 for raw and boiled rice respectively, while 300 tons were given to Mr. Kota Subbiah Chetty at Rs 13-0-0 and Rs 13-8-0 respectively. In June 500 tons of delta rice were secured by Appana Ramachandra Rao and Co., 200 tons by D. Adeppa and Sons, 200 tons Nellore rice by Rudrappa Appajeppa and 200 tons Nellore rice by Ramalingam Chetty and Sons. In July Appana Rama Chandra Rao and Co. secured 500 tons of delta rice and 150 tons of Nellore rice and the remaining 200 tons of Delta rice and 150 tons of Nellore rice were secured by Messrs. Lakshmiramana Chetty and S. Devappa. I have mentioned the above details to show that the idea repeatedly expressed that Messrs. Appana Ramachandra Rao and Co. are the sole Government contractors is incorrect. On the other hand except in the very first tender the business has been distributed between several importers, local merchants being frequently selected for part of the imports even though their rates were slightly higher.

7. It was only to be expected that when the business was put - as happened in the beginning - into the hands of a single importer selected by calling for tenders there would be a great deal of complaint on the part of numerous other merchants who were thus deprived of their business. But this was to a

then and even subsequently most eager to get the rice imported by Messrs. Appana Ramachandra Rao & Co. and many of them did so, acting as agents or vendors on behalf of the importers. Among those who were anxious to get some of the delta rice for retail sale, but who had to be refused, I might mention Mr. K. Sreekantiah, the first of the signatories to the petition under report, and Mr. M. Chengiah Chetty of Messrs. Margapuram & Co. whose petitions have been recently before Government.

9. The first complaint that I ever received of any inferior rice having been imported was on the 27th June through a petition of Narasimmiah and others alleging that the rice supplied was very inferior and a report on this subject was received from the Chief Officer of the Bangalore City Municipality on the 28th June. A copy of the same petition received by Government was sent to me for remarks with your No. G.52/F.S. of the 2nd July 1919. The explanation of the importers was obtained in which they said that 135 bags of the kind of rice referred had come in with other consignments, that they had sold 12 bags of the same and the remaining 123 bags were kept pending further orders. This formed the subject of my report No.3448 of the 14th August addressed to you. Again for the July allotment of delta rice the importers complained to me that the persons who were ordered by the Deputy Director of Civil Supplies of Bezwada to supply them with rice had supplied a very inferior kind of rice. The importers wanted to polish this rice and sell it. But I directed that it should be sold at 4 annas less than their tendered rate or at $5\frac{1}{4}$ seers a rupee in retail. About 3,598 bags of this kind of rice were reported to have arrived and the sale of this on the market gave the

the opportunity for a great deal of agitation against the importers, although it was sold at a rate which was more favourable than that of Burma rice. From the month of May the system of control in the delta districts has undergone a change and the rice can be purchased only from persons whose tenders are accepted by the Deputy Director of Civil Supplies of Bezawada. The importers have to accept such rice as is tendered for, and is allotted to them. For March and April the importers were able to get a good quality of rice mostly from their own mills, but from May they had to take what was allotted to them. Owing to the later imports appearing to be very unsatisfactory as compared with previous imports I have latterly had constantly to ask the Deputy Director for samples of the rice allotted to the importers; and frequently also to forward samples of the rice imported and ask him whether they represented the quality which he had allotted to the particular importers. In every case in which the quality imported was inferior to that of the sample deposited by the suppliers with the Deputy Director, I have invariably reduced the prices for sal locally in spite of the vehement protests of the importers that that was all they could get from the millers.

10. The above statement will I trust explain the various stages through which the control in respect of the import and sale of delta rice has passed. I may be permitted in this connection very respectfully to bring to the notice of Government that no rigid system has been laid down by Government for the guidance of the Controller; nor has the benefit of previous experience of this kind of work, gained by any Government or any officer been available to him Both in regard to questions of broad policy to be laid down by Government and in regard to details of management which fall within the competence of the Controller, the system of control adopted has had, therefore, to be modified and

and revised again and again with reference to the everchanging conditions and to the experience gained.

11. Coming now to the particular items of complaints in the petition, I beg to state as follows:

Para 2. Messrs. Appana Ramachandra Rao & Co. are said to have sold hundreds of bags of delta rice to a number of persons named. It is a fact that a number of bags were sold wholesale by the importers. They were entitled to do so and frequently the transactions were under the orders of this office. This was allowed under the original system as already stated.

Only two cases of suspected sales at higher rates were brought to my notice; the first was reported by the Chief Officer in his No.3282 dated 5th June 1919 in which it was alleged that Messrs. Appana Ramachandra Rao and Co. had attempted to dispose of 35 bags of delta rice to one Muniswamappa of Dodballapur at a considerable profit. The sole evidence was the statement of a cartman. The agent of Messrs. Appana Ramachandra Rao & Co. on the other hand maintained that he was only removing the bags to his retail shop in Basavangudi. Any how the rice was not actually transported out of Bangalore. On referring to the file I find it recorded that I had sent for Mr. Appana Ramachandra Rao and personally warned him that if I should get complaints like this, I would not allow him to sell this rice retail or to put in tenders.

The only other case that was reported was that Messrs. Appana Ramachandra Rao & Co. sold half a palla of delta rice to one Subbayya at Rs 25 per palla. The Chief Officer reported on the 24th June 1919 "there is no reason to disbelieve Subbayya though Siddabasappa does not conform to Subbayya's statement. There is nothing more to be done than to note this against Messrs. Appana Ramachandra Rao & Co. and order the return of the rice." On this, memo No.

contract rate; but I refused permission and they were required to sell the rice at a lower rate. An order to this effect was communicated to the Chief Officer of the Municipality with memo No.2099 dated 25th July 1919 and the municipal authorities were in possession of this order when they reported on this matter.

13. Para 4. It is said that Delhi Bhoga rice has been imported without priority certificates along with delta rice. With reference to this, I beg to invite attention to my D.O. letter No.4206 of the 27th ultimo. I am informed that these importers have been able to get considerably larger quantities of rice than they were entitled to get by means known only to merchants, but as I have explained in the letter such imports, which must be regarded as smuggled, are outside the terms of the contracts with the importers, and I cannot fix any rate for the sale of such rice.

14. Para 5. This is a general statement. That "Appana Ramachandra Rao & Co. sold worst rice during six months" is not borne out by facts. In the first place their earliest imports of delta rice did not begin to arrive till the 28th of April and were put on the market for the first time in May. Between that and the date of the petition the interval is $3\frac{1}{2}$ months. I have already explained in a previous paragraph that the very earliest complaint of any bad rice having come in was at the end of June and I am satisfied that there have been sales of inferior rice only from the end of June - a period of a little more than $1\frac{1}{2}$ months - and every case of such imports that has come to notice has been suitably dealt with.

15. Para 6. The system of putting the rice under double locks has, as already explained, been adopted since August. The suggestion that it was adopted in August when Appana Ramachandra Rao & Co. did not secure

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If such surreptitious exports have been practised by the importers, the authorities of the City Municipality should have brought them to book. That the local control over the sale of foodstuffs in the Bangalore City has not been quite adequate may be true. I have frequently brought this ~~xxxxxx~~ ~~xxxxxx~~ to the notice of the President and I have also referred to the point in my D.O. of the 12th May 1919 addressed to you. Because I was not satisfied with the supervision in the City I had to order my depot staff and probationer Mr. Anantaram also to watch the transactions in the City during their spare hours.

18. Para 7c. Various oral complaints are received and such action as is possible or necessary is taken.

19. Para 8. As regards "the opinion of the Director of Civil Supplies, Bezwada, regarding the quality of rice purchased by Messrs. Appana Ramachandra Rao & Co. ever since he took up the contract", I have, as stated above, been frequently sending samples to the Deputy Director at Bezwada and obtaining his opinion and taking suitable action with reference to the opinion furnished. One point has latterly come out in recent correspondence when a sample of certain quantity of rice imported by Appana Ramachandra Rao & Co. was forwarded to the Deputy Director and he was asked whether it was of the sample that he had allotted. He replied that it was "quite up to the sample seeing that he passed it as second quality rice". The contract of Appana Ramachandra Rao & Co. was however to import first sort rice and the Deputy Director had been asked to supply them with first sort rice. The fact that second sort rice only had been allotted was not communicated to this office and this was not known till the receipt of the above communication. As soon as this came to my notice, I not only

only reduced the price of the rice by the difference between first sort and second sort rice, but also asked the Deputy Director for a list of all cases in which rice of lower quality than what we had asked for had been allotted by him. This list has been received and it is found that not only Appana Ramachandra Rao & Co. but other importers also, viz., Lakshmiramana Chetty and Devappa had in some cases brought rice which is not up to the quality which they had agreed to supply. For instance Mr. Devappa's contract was to import 50 tons of delta raw rice, first sort. It is reported by the Deputy Director that more than half the quantity imported was only "above second quality". I am dealing with this case on the lines indicated above in regard to the case of Messrs. Appana Ramachandra Rao & Co. Similarly Mr. Lakshmeramana Chetty was to import first sort boiled rice to the Kolar Gold Field. The rice that was imported by him is found to be second quality. I have, therefore, reduced the price by 6 annas per bag which is the difference between the first quality rice and the second quality rice. Every such case is being dealt with on these lines.

20. The remaining paragraphs of the petition do not seem to call for any remarks from me. I have been at some pains to find out the addresses of the signatories to the petition. Most of them are rice merchants in Bangalore City and from oral enquiries a good many do not seem to know the contents of the petition to which they have affixed their signatures.

21. In concluding this report I have only to add that while I have no reason to think that Messrs. Appana Ramachandra Rao & Co. or any of the other merchants through whom we have been getting delta and Nellore rice are above attempting to profiteer if they have the chance of doing